

memo to management

ARCO Metals Company ♦

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June 3, 1983

SUBJECT: Expanded operations at Columbia Falls facility

To capitalize on stable power rates and an increased need for aluminum, we plan to restart one of the three idle potlines at the Columbia Falls reduction plant, effective June 6.

This decision will enable us to recall about 100 hourly and 20 salaried employees who are on temporary layoff. With three of our five potlines operating, production capacity at Columbia Falls will increase to 60 percent.

Last February, escalating electrical rates and a depressed aluminum market prompted us to reduce operations at Columbia Falls from 60 percent to 40 percent of capacity. Since then, the picture has brightened. Recently, we negotiated more favorable long-term power rates from the Bonneville Power Administration, assuring us electrical power at more competitive rates. In addition, industry inventories are at an all-time low, spurring an increased demand for aluminum.

How long ARCO Metals would be able to operate the additional line, or open the two remaining lines, would depend on future demand and costs.

Marlan T. Boultinghouse
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